Hours worked fall with more people sick or on leave

Media Release

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Source: Labour Force, Australia, January 2022

Seasonally adjusted hours worked fell by 8.8 per cent between December 2021 and January 2022, according to the Australian Bureau of Statistics (ABS).

The changes in hours worked were more pronounced than for other key indicators, with employment increasing by around 13,000 people, unemployment by 6,000 people and the unemployment rate remaining at 4.2 per cent.

Hours worked and employment

Bjorn Jarvis, head of labour statistics at the ABS, said the large fall in hours worked in January 2022 reflected more people than usual taking annual leave and sick leave in the first two weeks of January. This was a period with high numbers of COVID cases associated with the Omicron variant, and considerable disruption across the labour market.

“Last year, in January 2021, the large 4.9 per cent fall in hours worked mainly reflected more people than usual taking annual leave. At that time there were relatively low numbers of active cases of COVID and only localised impacts.

“While we again saw higher than usual numbers of people taking annual leave – even more so than last year – the 8.8 per cent fall in hours worked in January 2022 also reflected much higher than usual numbers of people on sick leave. This echoes what we saw in the recent ABS business survey (/media-centre/media-releases/staff-absent-22-businesses-due-covid-19) on COVID-related absences.

"Nationally, and in New South Wales and Victoria, the number of people who worked

reduced hours because they were sick was around three times the pre-pandemic average for January. In other states and territories, it was twice as many people.

“Western Australia was the only jurisdiction with a usual low number of people working reduced hours in January because they were sick.”

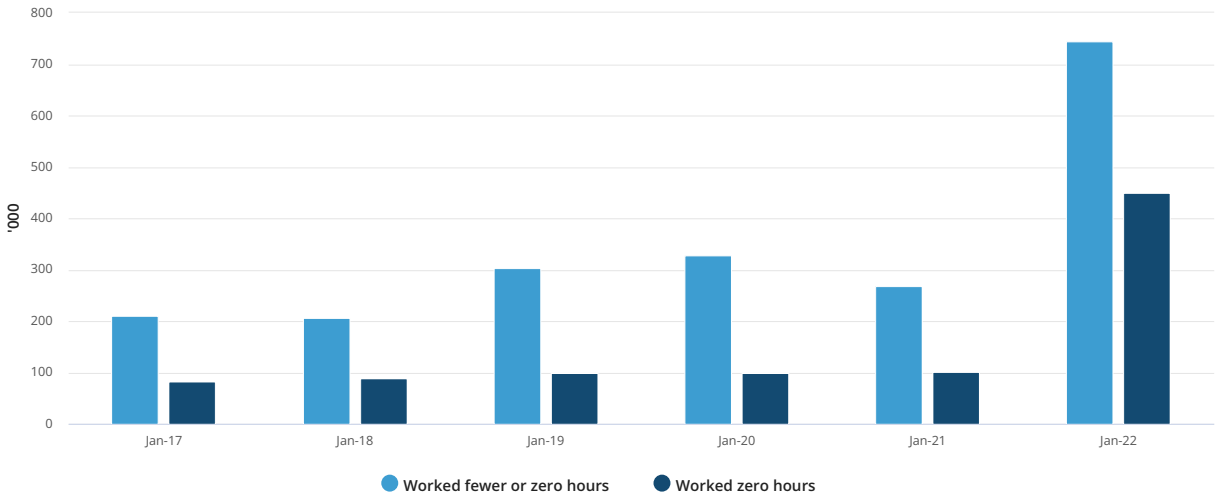
The number of people working no hours at all in a week because they were sick was particularly high at more than four times the pre-pandemic average.

“January is the middle of summer and usually only around 90,000 to 100,000 people in Australia are away from work sick for an entire week. In January 2022 it was around 450,000 people (3.4% of employed people),” Mr Jarvis said.

“The January 2022 figures are also much higher than in the winter months in Australia, when sick leave has usually peaked in August at around 140,000 to 170,000 people.”

The fall in seasonally adjusted hours worked was greatest in New South Wales and Victoria (13.5 and 13.2 per cent). Western Australia was the only part of Australia where hours increased, up 1.7 per cent.

Employed people who worked fewer or zero hours due to own illness, injury or sick leave

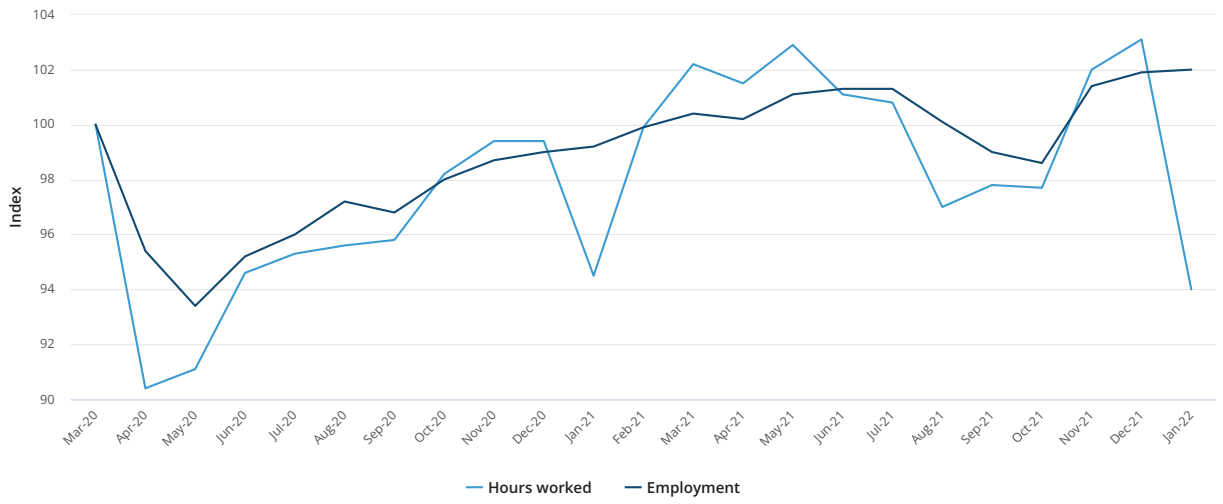


Source: Labour Force, Australia, Detailed EM2a

Despite the fall in hours worked, employment increased in January 2022 by 13,000 people, with flows into employment continuing to outpace flows out of employment. This followed a similar pattern to January 2021.

“As with earlier rapid changes in the labour market during the pandemic, hours continue to be much more affected than employment. This reflects people working reduced or no hours, without necessarily losing their jobs,” Mr Jarvis said.

Seasonally adjusted employment and hours worked, Indexed to March 2020



Source: Labour Force, Australia, Table 1 and 19

Unemployment and participation

Seasonally adjusted unemployment increased by 6,000 people in January, with the unemployment rate remaining at 4.2 per cent.

The participation rate increased 0.1 percentage points to 66.2 per cent, near its all-time high of 66.3 per cent in March 2021.

“Female participation rose to a new record high in January, at 62.1 per cent, which was around 0.9 percentage points higher than the start of the pandemic. This was even more pronounced for women 15-64 years of age, at 76.2 per cent, which was 1.9 percentage points above the start of the pandemic and 7.0 percentage points below men,” Mr Jarvis said.

The youth unemployment rate fell 0.4 percentage points to 9.0 per cent in January, and the youth participation rate fell 0.7 percentage points to 69.8 per cent.

Underemployment and underutilisation

The underemployment rate rose 0.1 percentage points to 6.7 per cent. This was 2.1 percentage points lower than March 2020 (8.8 per cent).

The underutilisation rate, which combines the unemployment and underemployment rates, increased 0.1 percentage points to 10.9 per cent, and was 3.2 percentage points lower than its March 2020 level (14.1 per cent).

Today's release includes additional analysis of hours worked, including people working zero hours, and an analysis of job attachment.

Further information, including regional labour market information, will be available in the upcoming January 2022 issue of Labour Force, Australia, Detailed (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release) , due for release on Thursday 24 February 2022.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time.

Media notes

- The January 2022 survey reference period was 2 January to 15 January 2022, during which there was a high number of confirmed COVID cases associated with the Omicron variant. The February survey reference period was 30 January to 12 February 2022.
- For the criteria used by the ABS to categorise people as employed or unemployed, see the glossary section (/methodologies/labour-force-australia-methodology/jan-2022#glossary) in Methodology page of this release.
- The numbers in the media release are rounded to the nearest thousand people. For more detailed numbers see the data downloads tab in the Labour Force, Australia (/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release) publication.
- The ABS has suspended publishing trend series for the COVID-19 period.
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